



State of New Jersey

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DEPARTMENT OF THE TREASURY
DIVISION OF INVESTMENT
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March 1, 2012

Report to the New Jersey Legislature
pursuant to P.L. 2007, c.250
(Investments in Iran)

P.L. 2007, Chapter 250 (the "Act") provides that no assets of any pension or annuity fund under the jurisdiction of the Division of Investment (the "Division") shall be invested in any foreign company that has an equity tie to the government of Iran or its instrumentalities and is engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities. This prohibition shall not apply to the activities of any foreign company providing humanitarian aid to the Iranian people through either a governmental or non-governmental organization. The Act requires the State Investment Council and the Director of the Division (the "Director") to take appropriate action to sell, redeem, divest or withdraw from any investment held in violation of the provisions of the Act.

The Act further requires that the Director annually file with the Legislature a report on all investments sold, redeemed, divested or withdrawn in compliance with the Act. Each annual report shall provide a description of the progress which the Division has made since the previous report and since the enactment of the Act in implementing the provisions of the Act.

In accordance with the provisions of the Act, the Director reviews the recommendations of and consults with an independent research firm, MSCI, which specializes in global security risk for portfolio determinations.

The following summarizes all investments sold in compliance with the Act since our last report and our initial report. The Division previously reported that the pension and annuity funds did not hold securities of any companies on the prohibited list. However, several companies whose securities are held in the pension and annuity funds were recently added to the prohibited list. Accordingly, the following table also summarizes the securities of those companies held in the portfolio as of January 31, 2012, which will be divested in accordance with the Act.

Company	Sales Jan. 5, 2011 through January 31, 2012 (a)		Sales March 1, 2008 through January 31, 2012 (a)		Held on January 31, 2012	
	Shares/Par	Net Sales Proceeds (000's) (b)	Shares/Par	Net Sales Proceeds (000's) (b)	Shares	Market Value (000's)
Atlas Copco	-	-	2,000,000	\$ 42,764	-	-
Commerzbank AG (c)	10,090,900	\$ 34,883	10,090,900	34,883	-	-
ENI Spa	-	-	2,500,000	82,571	-	-
Gail India Ltd. (c)	-	-	15,043	970	-	-
Gazprom OAO	-	-	589,629	11,906	-	-
GDF Suez (c)	-	-	6,029,534	236,564	-	-
GS Engineering & Construction (c)	-	-	22,449	3,133	-	-
Hyundai Engineering & Construction Co., Ltd. (c)	-	-	65,757	3,794	-	-
Hyundai Heavy Industries (c)	-	-	5,507	1,803	-	-
Lukoil OAO (c)	-	-	92,406	7,309	-	-
Marubeni Corp. (c)	-	-	2,524,900	16,247	-	-
Mitsubishi UFJ Financial Group	-	-	-	-	16,103,740	\$ 73,708
Mitsui & Co.	-	-	2,100,000	27,952	-	-
OMV AG (c)	-	-	353,370	26,323	-	-
Petroleo Brasileiro	-	-	590,797	25,326	-	-
Sasol Ltd.	-	-	30,505	1,161	-	-
Siemens AG - common stock	200,000	19,399	200,000	19,399	488,371	46,119
Siemens AG - debentures	25,000,000	30,288	25,000,000	30,288	-	-
SNC-Lavalin Group Inc.	-	-	40,000	2,090	-	-
StatoilHydro ASA	-	-	2,500,000	75,110	-	-
Total		<u>\$ 84,570</u>		<u>\$ 649,593</u>		<u>\$ 119,827</u>

(a) This chart only includes sales occurring while the Company was on the prohibited list

(b) After reduction of all commission and regulatory fees

(c) Company is not on the prohibited list as of the date of this report

As of the date of this report, the Division has identified the following foreign companies that have equity ties to the government of Iran or its instrumentalities and are engaged in business operations with entities in the defense sector or nuclear sector of Iran, or engaged in business operations with entities involved in the natural gas or petroleum sectors of Iran, in or with that government and its instrumentalities and are therefore ineligible for investment by the pension or annuity funds: Arab Banking Corp., Atlas Copco AB, Clontarf Energy PLC, Daelim Industrial

Co, Edison Spa, ENI Spa, Gazprom OAO, INA Industrija nafte DD, Indian Oil Corporation Ltd., Itochu Corp, Liquefied Natural Gas Ltd., Mitsubishi UFJ Financial Group, Mitsui & Co., Mitsui Engineering & Shipbuilding Co Ltd, Nordea Bank AB, Oil & Natural Gas Corporation Ltd., Oil India Ltd., Petroleo Brasileiro, Peugeot S.A., Rolls Royce Group PLC, Royal Dutch Shell PLC, Saipem, Sasol Ltd., Schlumberger Ltd., SGS SA, Siam Cement Public Company Limited, Siemens AG, SNC-Lavalin Group Inc., StatoilHydro ASA, Technip, Total SA, TOYO Engineering Corporation, Unicredit S.p.A., and Union Resources Limited.

The Division will continue to periodically consult with the independent research firm to identify any additional companies that are identified as having ties which are in violation of the Act. Such companies will be added to the prohibited investment list, and the Division will divest of any pension or annuity fund holdings in those companies accordingly.

A handwritten signature in black ink, appearing to read "T. M. Walsh" with a stylized flourish at the end.

Timothy M. Walsh
Director